

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 IO-10

EB-07 USPS-01 TRSE-00 SY-05 SCA-01 NEA-09 PPT-01 VO-03

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R 151511Z MAR 75

FM AMEMBASSY PORT AU PRINCE

TO SECSTATE WASHDC 9430

INFO USDOC WASHDC

JUSTICE WASHDC

AMEMBASSY SANTO DOMINGO

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E. O. 11652: N/A

TAGS: ETEL, BDIS, PFOR, PGOV, HA, US

SUBJECT: GOH REQUESTS USG HELP IN STAMP SCANDAL

REF: PAUP 576; 552; 551

1. SUMMARY - FOREIGN AFFAIRS SECRETARY BRUTUS CONVOKED THE AMBASSADOR ON MARCH 13 (A) TO ASK FOR FULL USG COOPERATION IN DETERMINING THE IDENTITY AND WHEREABOUTS OF THE PERPETRATORS OF THE SALE OF FRAUDULENT HAITIAN POSTAGE STAMPS, AND IN UNCOVERING ADDITIONAL FACTS CONCERNING THE ROLE OF THE NEW YORK STAMP COMPANY, J & H STOLOW INC., RESPONSIBLE FOR STAMP SALE; (B) TO REQUEST ASSURANCE THAT ANY PERSONS WHO VIOLATED US LAW OR TREATY PROVISIONS WILL BE PROSECUTED; AND (C) TO GIVE NOTICE THAT THE GOH MAY SEEK THE RETURN TO HAITI UNDER THE 1905 HAITIAN-US EXTRADITION TREATY OF A HAITIAN CITIZEN BELIEVED IMPLICATED, SHOULD HE BE FOUND IN THE US. JUSTICE SECRETARY JEANTY OUTLINED THE RESULTS OF HIS INVESTIGATION, EMPHASIZING HIS INABILITY TO ENLIST STOLOW'S COOPERATION TO NAME THE HAITIANS WHO ARRANGED THIS AND EARLIER FALSE HAITIAN STAMP ISSUANCES THROUGH STOLOW. JEANTY ALSO RELAYED

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PRESIDENT DUVALIER'S PLEA FOR USG COOPERATION. BRUTUS SAID HE

WILL SEND A FORMAL NOT REPEATING THESE REQUESTS AND PROVIDE COPIES OF KEY DOCUMENTS. END SUMMARY.

2. FOREIGN AFFAIRS SECRETARY BRUTUS CONVOKED THE AMBASSADOR MARCH 13 TO SEEK USG HELP TO DETERMINE IDENTITY AND WHEREABOUTS OF THOSE RESPONSIBLE FOR STAMP SCANDAL (REFTELS), AND TO ENSURE THAT WRONG-DOERS WILL BE PROSECUTED UNDER APPROPRIATE NATIONAL LAWS AND INTERNATIONAL AGREEMENTS, PARTICULARLY THE UNIVERSAL POSTAL UNION CONVENTION. THE MEETING WAS CHAIRED BY JUSTICE SECRETARY JEANTY, AND INCLUDED FOREIGN AFFAIRS UNDER SECRETARY DORCELY, COMMERCE & INDUSTRY UNDER SECRETARY BAYARD, POSTAL ADMINISTRATOR GENERAL MARC FRANCOIS, AND COMMERCE'S CHIEF OF LEGAL DISPUTES, JAN L. MONTES.

3. BACKGROUND - JEANTY EXPLAINED THAT HE HAD JUST COME FROM PRESIDENT DUVALIER, WHO DIRECTED HIM TO ASK AMBASSADOR'S HELP TO ENLIST THE FULL COOPERATION OF THE USG TO ASSIST THE GOH IN ITS INVESTIGATION OF THE STAMP SCANDAL, AND TO BRING THE GUILTY PARTIES TO JUSTICE. HE PROVIDED THE FOLLOWING SUMMARY OF THE FACTS:

A. THE J & J STOLOW STAMP COMPANY MAILED OUT A SPECIAL SALE OFFER DATED FEB. 8, 1975 FOR THE UNAUTHORIZED HAITIAN AUDUBON STAMPS TO STAMP DEALERS AND COLLECTORS. THE OFFER INCLUDED A REPRODUCTION OF AN AUTHORIZING LETTER ON COMMERCE & INDUSTRY STATIONERY DATED JAN 9, 1975 AND BEARING UNDER SECRETARY BAYARD'S FORGED SIGNATURE.

B. A HAITIAN STAMP COLLECTOR WHO RECEIVED A COPY OF STOLOW'S SALE OFFER SHOWED IT ON MARCH 1 TO BAYARD, WHO IMMEDIATELY TOOK IT UP WITH THE PRESIDENT. SIMULTANEOUSLY AND SEPARATELY THE POST OFFICE HAD RECEIVED AN INQUIREY ABOUT THE PURPORTED STAMP ISSUE, FOLLOWING WHICH ADMINISTRATOR GENERAL FRANCOIS REPORTED THE DISCOVERED FRAUD DIRECTLY TO THE PALACE. THE PRESIDENT MET WITH BAYARD, FRANCOIS, ODonel FENESTOR (DIRECTOR GENERAL OF THE TAX BUREAU) AND JEANTY ON MARCH 3, AND DIRECTED JEANTY TO CONDUCT AN INVESTIGATION.

C. JEANTY PROVIDED A LENGTHY ANALYSIS OF WHY THE COPY OF THE MONITEUR IN STOLOW'S POSSESSION WAS COUNTERFEIT, CITING THE TYPE OF PAPER, THE RECOGNIZABLE PRINTING CHARACTERISTICS OF AN IBM MACHINE NOT AVAILABLE IN HAITI, AND INCORRECT TYPE AND PRINT SETTINGS. THE COUNTERFEITERS HAD USED THE FORMAT OF LIMITED OFFICIAL USE

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THE GENUINE MONITEUR NO. 8 PUBLISHED ON JAN. 28, 1974, BUT INSERTED A NON-EXISTENT PRESIDENTIAL DECREE PURPORTING TO AUTHORIZE THE AUDUBON STAMP ISSUANCE, DATING THE FALSE MONITEUR FEB. 18, 1974. THE REAL MONITEUR FOR FEB. 18, 1974 WAS NO. 14.

D. HAITIAN STAMP ISSUES, JEANTY ADDED, ARE FIRST AUTHORIZED BY A PRESIDENTIAL ARRETE, NOT DECREE, WHICH IS THEN PUBLISHED IN THE MONITEUR. IT SETS THE STAMP DENOMINATIONS, NUMBERS TO BE PRINTED, ETC. THEN THE POSTAL ADMINISTRATION GENERAL ISSUES

AN AVIS (PUBLIC NOTICE) ANNOUNCING THE SPECIFICS OF THE PUBLIC SALE. OTHER AUTHORIZING DOCUMENTS ARE ISSUED BY THE TAX BUREAU AND NATIONAL BANK. MOREOVER, ACCORDING TO HAITIAN LAW UNDER SECRETARIES OF STATE CANNOT SIGN AUTHORIZING LETTERS, AS BAYARD WAS MISREPRESENTED AS DOING. ONLY SECRETARIES OF STATE CAN DO SO.

E. JEANTY SET THE FACE VALUE OF FALSE AUDUBON STAMP ISSUE AT \$23 MILLION (SIC) IF THE COUNTERFEITERS ACTUALLY PRINTED THE NUMBERS SET FORTH IN THE FALSE MANITEUR. (COMMENT: WE SUSPECT HE MAY BE OFF BY SEVERAL DIGITS IN HIS CALCULATIONS, BUT CONCUR THAT THE STAMP FRAUD IS SERIOUS REGARDLESS OF THE SUMS INVOLVED.)

F. JEANTY SAID HE CONTACTED STOLOW, WHO SAID IF THE GOH COULD PROVE TO HIS SATISFACTION THAT HE HAD SOLD THE STAMPS BASED ON FRAUDULENT AUTHORIZATIONS, HE WOULD PROVIDE JEANTY WITH THE NAMES OF THE HAITIANS WITH WHOM HE HAD MADE HIS DEAL. US CONSUL WILSON WAS ASKED LAST SUNDAY TO AUTHENTICATE HAITIAN OFFICIALS' SIGNATURES ON TRUE COPIES OF THE MONITEUR NO. 8 OF JAN. 28, 1974 AND NO. 14 OF FEB. 18, 1974, AND OF BAYARD'S SIGNATURE. THESE WERE FLOWN TO HEW ORK AND GIVEN TO STOLOW MONDAY, MARCH 10. LATER THAT DAY JEANTY SPOKE TO STOLOW BY PHONE (JEANTY TAPED ALL HIS PHONE CONVERSATIONS WITH STOLOW). STOLOW AGREED THAT FRAUD HAD BEEN COMMITTED, BUT STILL WOULD NOT PROVIDE THE NAMES OF THE PERSONS HE HAD DEALT WITH. INSTEAD STOLOW PROPOSED THAT THE GOH SIMPLY OFFICIALLY ANNUL THE STAMP ISSUE. JEANTY REPLIED THAT THE GOH COULD AND WOULD NOT ANNUL SOMETHING THAT IT NEVER CREATED. STOLOW THEN ASKED FOR A LETTER FROM THE GOH CLEARING HIM OF ANY WRONG-DOING BEFORE HE WOULD PROVIDE ANY NAMES, SAYING HE HAD TO PROTECT HIS BUSINESS REPUTATION. JEANTY REPLIED THAT STOLOW'S WORLD-WIDE REPUTATION WAS ALREADY IN DOUBT INASMUCH AS THE GOH ON

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EB-07 USPS-01 TRSE-00 SY-05 SCA-01 NEA-09 PPT-01 VO-03

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MARCH 8 HAD NOTIFIED THE UNIVERSAL POSTAL UNION AND ITS MEMBER COUNTRIES OF THE FRAUD, SO STOLOW'S ONLY PRUDENT RECOURSE WAS TO COOPERATE FULLY WITH JEANTY TO ESTABLISH HIS INNOCENCE. JEANTY POINTED OUT HOW THE SCANDAL HAD DAMAGED THE GOH'S OWN REPUTATION, EVEN CAUSING A CABINET RESHUFFLE. STILL STOLOW REFUSED TO NAME NAMES WITHOUT A LETTER CLEARING HIM IN ADVANCE OF ANY WRONG-DOING.

G. JEANTY SAID THAT STOLOW HAS NEITHER FIRMLY PROMISED TO DISCONTINUE SELLING THE FRAUDULENT STAMPS, WHICH HE EVEN TRIED TO SELL BACK TO JEANTY, NOT TO CANCEL THE SCHEDULED SALE IN APRIL OF ANOTHER STAMP SERIES PORTRAYING AUDUBON. HE AND BAYARD QUOTED STOLOW AS INQUIRING WHY THE GOH WAS SO UPSET ABOUT THE CURRENT UNAUTHORIZED SALE, WHICH WOULD DO A GREAT DEAL FOR TOURISM IN HAITI, AND NOT HIS PREVIOUS SALES, ABOUT WHICH NOBODY HAD COMPLAINED. JEANTY THEN EXPLAINED THAT HE HAD DISCOVERED THAT IN 1974 STOLOW HAD TAKEN SOME DISCONTINUED HAITIAN STAMPS HONORING THE PEACEFUL USES OF SPACE, WHOSE LEGAL SALE HAD ENDED MARCH 9, 1973, AND HAD PRINTED OVERLAYS ON THEM TO CREATE THE ERRONEOUS IMPRESSION THAT THEY WERE ISSUED IN 1974 TO COMMEMORATE, OF ALL THINGS, THE 100TH ANNIVERSARY OF THE UNIVERSAL POSTAL  
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UNION. STOLOW PRODUCED A COUNTERFEIT AUTHORIZING LETTER DATED MAY 11, 1973 BEARING FORMER SECRETARY FOURCAND'S FORGED SIGNATURE TO JUSTIFY HIS SALE OF THE FALSE UPU ANNIVERSARY STAMPS. JEANTY SAID HIS INVESTIGATION ALSO REVEALED THAT STOLOW HAD ONCE IMPROPERLY SOLD A DOMINICAN REPUBLIC STAMP SERIES, AND ANOTHER ONE FOR ISRAEL, FOR WHICH IRONICALLY HE WAS THREATENED WITH BOYCOTT BY THE ARABS. JEANTY EMPHASIED THAT IN HIS OPINION STOLOW WAS AN UNSCRUPULOUS CROOK WHO VICTIMIZED GOVERNMENTS AND STAMP COLLECTORS. HE NOTED THAT ALTHOUGH A MAJOR NEW YORK STAMP DEALER, STOLOW DID NOT BELONG TO THE AMERICAN STAMP DEALERS ASSOCIATION DUE TO HIS POOR REPUTATION.

H. JEANTY SAID STOLOW REMAINED TOTALLY UNCOOPERATIVE UNTIL MARCH 12, WHEN IN A MORING PHONE CONVERSATION WITH JEANTY, STOLOW SAID HE HAD ARRANGED A LETTER OF CREDIT DATED APRIL 5, 1974 AT THE STERLING NATIONAL BANK & TRUST CO. OF NEW YORK FOR \$20 THOUSAND FOR AN UNNAMED PERSON. THAT EVENING STOLOW PHONED AGAIN FROM GOH COUNSUL GENERAL FLORESTAL'S HOME IN NEW YORK TO SAY THAT HE HAD ARRANGED ANOTHER LETTER OF CREDIT OF THE SAME

DATE FOR \$50 THOUSAND AT AN UNNAMED BANK IN HIALEAH, FLORIDA. HE ALSO SAID THE PERSONS THE GOH SHOULD QUESTION IN HAITI WERE FNU "GARFIELD," AN AMCIT, AND A HAITIAN NAMED FRANTZ CHARLES LEROY. JEANTY SUBSEQUENTLY DETERMINED THAT LEROY HAD FLED HAITI MARCH 9, A FACT HE SUSPECTS STOLOW WAS THEN FULLY AWARE OF. JEANTY SAID LEROY WAS WELL KNOWN AT THE US CONSULATE SINCE HE WAS SUSPECTED OF BEING INVOLVED IN HAITIAN PASSPORT AND US VISA FRAUD.

4. PLEA FOR USG HELP - JEANTY AND BRUTUS CONCLUDED THE MEETING WITH A PLEA FOR PROMPT AND FULL USG COOPERATION WITH THE GOH IN UNCOVERING THE FACTS OF THE STAMP SCANDAL, SPECIFICALLY STOLOW'S ROLE THEREIN, SUCH AS THE DETAILS OF ANY LETTERS OF CREDIT STOLOW MAY HAVE ARRANGED, AND THE NAMES OF THE PERSONS WITH WHOM HE DEALT. COMMERCE EXPERT MONTES SUMMARIZED THE GOH UNDERSTANDING OF THE UNIVERSAL POSTAL UNION CONVENTION REGARDING STAMP COUNTERFEITING, WHICH MONTES SAID OBLIGED EACH SIGNATORY TO TAKE CRIMINAL ACTION AGAINST ANY PERSONS IN ITS JURISDICTION COUNTERFEITING THE STAMPS OF ANY OTHER MEMBER NATION. LASTLY, JEANTY SAID THE GOH PROBABLY WOULD ASKE FOR LEROY'S EXTRADITION UNDER THE (1905) HAITIAN AUS EXTRADITION TREATY IF LEROY IS LOCATED IN THE US. BRUTUS SAID HE WILL SEND A DIPLOMATIC NOTE REPEATING THESE REQUESTS, TO WHICH COPIES OF THE KEY DOCUMENTS IN THE CASE LIMITED OFFICIAL USE

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WILL BE ATTACHED.

5. THE AMBASSADOR THANKED HIS HOSTS FOR THE INFORMATION, WHICH HE PROMISED TO CONVEY TO WASHINGTON PROMPTLY. HE ASKED THEM TO EXPRESS TO PRESIDENT DUVALIER HIS CONFIDENCE THAT THE USG WOULD COOPERATE AS FULLY AS POSSIBLE.

6. COMMENT - THERE IS NO AMCIT NAMED GARFIELD REGISTERED AT THE CONSULATE, AND WE ARE UNAWARE OF ANY AMERICAN OF THAT NAME IN HAITI. GRANTZ CHARLES LEROY IS A TRAVEL AGENT, PART-TIME JOURNALIST, CONFIDANT SINCE 1968 OF THE LATE PRESIDENT FRANCOIS DUVALIER, AND AN ON-AND-OFF AGAIN GOH EMPLOYEE. HE DEPARTED HAITI MARCH 9, 1975 VIA EA 994 FOR KINGSTON, JAMAICA, USING REGULAR HAITIAN PPT NO. 53574. THE MOST RECENT BIO FORM ON HIM WAS SIBMITTED APRIL 3, 1971. FROM 1970 TO 1974 HE WAS A REGULAR AND USEFUL EMBASSY CONTACT ON POLITICAL AFFAIRS, BUT AS SUSPICIONS INCREASED ABOUT HIS POSSIBLE INVOLVEMENT IN VISA FRAUD, THIS RELATIONSHIP FADED. HE OBTAINED A US IMMIGRATION VISA IN 1966, AND WORKED BRIEFLY AS A WELFARE CASEWORKER IN NEW ORK IN 1967. IT IS NOT KNOWN IF HE MAINTAINED HIS US PERMAMENT RESIDENT STATUS SINCE RETURNING TO HAITI.

7. IT IS CURIOUS THAT ALTHOUGH BRUTUS REPEATED THAT SERGE AND FOURCAND WERE ARRESTED, THERE WAS NO MENTION OF ANY EVIDENCE IMPLICATING THE FOURCANDS THROUGHOUT JEANTY'S LENGTHY RECITAL

OF THE FACTS.

8. THE STAMP SCANDAL IS PRESIDENT DUVALIER'S MAJOR PREOCCUPATION AT PRESENT, AND ITS OUTCOME WILL AFFECT THE POLITICAL FORTUNES OF MANY IMPORTANT GOH LEADERS. IT IS ALSO THE MAJOR PUBLIC POLITICAL EVENT OF THE YEAR, AND THE GOH, THROUGH JEANTY'S PUBLIC STATEMENTS, IS PLEDGED TO UNCOVER AND PUNISH ALL HAITIANS AT FAULT. IT IS EQUALLY CLEAR THAT SINCE JEANTY BELIEVES THAT STOLOU WAS A KNOWING PARTICIPANT IN THE FRAUD, HE AND THE PRESIDENT LOOK TO THE USG TO PROTECT THE GOH FROM FRAUDS COMMITTED AGAINST IT ON US TERRITORY. IF JEANTY DOES NOT GET THE FACTS AND NAMES HE NEEDS FOR EVIDENCE ON WHICH TO PRMUECUTE SOMEBODY, IF NOT FOURCAND , HE AND DUVALIER MAY NEED SCAPEGOATS TO EXPLAIN AWAY THEIR PREMATURE DISMISSALS AND ARRESTS.

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9. RECOMMENDATION - THAT THE DEPARTMENT AND ALL OTHER APPROPRIATE USG AGENCIES COMPLY AS FULLY AND PROMPTLY AS POSSIBLE WITH THE GOH REQUESTS (PARA. 4). IF IT IS DETERMINED THAT ACTS WERE COMMITTED IN THE US CONTRARY TO US LAW OR TREATY OBLIGATIONS, WE URGE THAT THE WRONG-DOERS BE PROSECUTED. IN THIS CONNECTION WE RECALL PRESIDENT DUVALIER'S DISAPPOINTMENT OVER THE 1974 BOMBING INCIDENTS BY PERSONS RESIDING IN US TERRITORY, CONCERNING WHICH SUCCESSFUL PROSECUTIONS WERE NOT POSSIBLE.  
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## Message Attributes

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**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 08 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <08 SEP 2003 by KelleyW0>; APPROVED <09 SEP 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOH REQUESTS USG HELP IN STAMP SCANDAL  
**TAGS:** ETEL, BDIS, PFOR, PGOV, HA, US, J & H STOLOW INC  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006